

### **REMARKS/ARGUMENTS**

Applicants respectfully request that the above application be reconsidered in view of the above amendments and following remarks.

Claims 1-20 are currently pending.

Claims 1, 16 and 20 have been amended to clarify that in that present invention, the contribution amounts are distributed to charities in the form of a cash payment, as disclosed in the in the second paragraph on page 9 of the specification and in FIG. 6.

No new matter is introduced by these amendments, and it is requested that they be entered.

#### **A. Rejection of Claims 1-20 under 35 USC 103(a) as being unpatentable over U.S. Patent No. 6,519,573 (Shade et al.) in view of Applicants' admitted prior art and WO 94/04979 (Hartt et al.)**

Shade is cited as disclosing a system and method for an individual to access a host web site and select a charitable organization to make a donation. The host system transmits the charitable gift to the gift recipient. It is said that Shade does not explicitly state the charitable gift is a plurality of securities, but that providing different types of securities for charitable purposes is known in the art. It is said that it would have been obvious to introduce different types of mutual funds into Shade to make the system more flexible for accepting a range of different types of donations. It is acknowledged that the combination of Shade and the admitted prior art does not explicitly state "accumulating the contribution amounts for a designated period of time and distributing the accumulated contribution amounts to the designated charities". However, Hartt is cited as disclosing a system and method for allowing funds to be accumulated in an escrow account and then transferred to another account once a predetermined level is reached. It is said that it would have been obvious to incorporate the teachings of Hartt into the combination of Shade and the admitted prior art in order to allow a donor to make monthly or weekly small donations.

Applicants respectfully traverse this rejection.

First of all, Applicants wish to emphasize that Shade relates to a method and system for enabling three-party charitable gift giving. Shade discloses, "A **gift giver** visits the host web site

and selects a donation amount and a **gift recipient**. The **host** then transmits the charitable gift to the gift recipient, along with a unique code which enables the gift recipient to redeem the charitable gift. The gift recipient then visits the host web site, selects a **charity** from a list of available options, and the gift is sent to the selected donee charity by the host.” (See Abstract. Emphasis added.) While donating various types of securities to charities is known in the art, Shade does not describe donating securities. In Shade, the gift giver creates a gift card, e.g., a printed card, an e-card, a card that can be printed on a printer, for conveying the gift to the recipient. Moreover, it is submitted that Shade does not contemplate donating securities through the host system since this would require a broker-to-broker transfer of securities, thereby adding two parties, additional time and securities transactions to the process, which would make the Shade process more complicated and cumbersome.

In contrast to Shade, the present invention relates to methods and systems for operating and managing an investment fund in which charitable donations by the fund and/or its service providers are directed by the fund shareholders. Shareholders designate the charities that receive the contribution amounts, not a third party recipient as in Shade. As with other investment funds, individual investors purchase shares of the investment fund to achieve an investment return, and the fund and and/or its service providers assess fees on the assets of individual investors/shareholders. In the present invention, a charitable donation is included as a fee of the investment fund. Individual investors/shareholders of the fund direct the charitable donation fee assessed on the value of their respective shares to a charity of their choice. The inclusion of the charitable donation fee as part of the normal operating fees assessed on an investment fund enables an individual to a) invest dollars in a financial instrument that provides an investment return for their own purpose, and b) support charitable causes.

In the present invention, the donation is not a plurality of securities as suggested by the Examiner, or any type of security. Rather, the donation is a cash amount that may result from a line item expense of the fund (see Claim 9) or a contribution from any of the fund service providers. The cash donation amount is typically calculated as a percentage of the value or expenses of the fund (see Claim 13).

Thus, the differences between Shade and the invention may be summarized as follows:

**Shade**

Gift Giver	Designates gift amount and recipient
Gift Recipient	Receives gift card and code and selects charity
Host	Facilitates donation between giver, recipient and charity
Charity	Receives donation

**Invention**

Investor (shareholder)	Invests principal into fund and designates charity
Fund/Service Provider	Assesses donation fee on assets within the fund, manages fund and receives fees for services; donates a portion of fees to designated charity; facilitates <u>cash</u> donation to charity
Charity	Receives <u>cash</u> donation

In view of the above differences, the present invention would not have been obvious over Shade and the admitted prior art.

Regarding the Hartt reference, while it is known in the art to allow funds to be accumulated in an escrow account and then transferred to another account, Hartt does not disclose or suggest an investment fund in which a portion of the assessed fund fees are accrued and distributed in the form of a cash payment by the fund's administrator to charitable causes as directed by individual shareholders. Nor does Hartt disclose or suggest modifying Shade to provide the present invention. It is thus submitted that Claims 1-20 would not have been obvious over the cited references.

**B. Conclusion**

It is believed that the above represents a complete response to the Examiner's rejection and places the application in condition for allowance. Reconsideration and allowance of Claims 1-20 is respectfully requested.

Applicants would appreciate a telephone call should the Examiner have any questions or comments with respect to this response.

Respectfully submitted,

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